



500 W. Winchester Road, Unit 101
Libertyville, IL 60048
Phone 847.377.2475
Fax 847.984.5745
communitydevelopment@lakecountyil.gov

August 9, 2023

Memorandum

To: Housing and Community Development Commission
From: Community Development Staff
Re: HOME-ARP Application - UMMA

Background

On February 27, 2023, the Lake County Housing and Community Development Commission (HCDC) approved the Lake County Consortium HOME-ARP Allocation Plan. The Allocation Plan identified the development of affordable rental housing as a community need. Specifically, the development of Permanent Supportive Housing (PSH) and units with larger bedroom counts was identified as a priority. In an effort to address this need, the HCDC approved an allocation of \$5,121,570 of HOME-ARP for the development of affordable rental housing.

Community Development (CD) staff released a Notice of Funding Availability on May 9, 2023. Applications are being received by CD staff on a rolling basis. Following staff review, applications that meet the eligibility criteria and align the with priorities identified in the Allocation Plan they are presented to HCDC for approval.

The application submitted by the Urban Muslim Minority Alliance (UMMA) represents the first application received. The proposed project is requesting funds from the existing allocation for the development of rental housing. Approval of this project does not require a substantial amendment to the Allocation Plan as there is sufficient available funds allocated to the eligible activity type.

Application Summary

Project Description - The proposed project consists of the acquisition and operation of an affordable apartment building. The location of the building is 504 10th Street, Waukegan, IL. The property contains (4) rental units and 2,800 ft² of commercial space. The units mix consist of (1) 2-bedroom, (1) 3-bedroom, and (2) 4-bedoom units. Consistent with the approved Allocation Plan, a preference for the units will be given to households who meet the HUD definition of homeless (24 CFR 91.5).

Agency	Urban Muslim Minority Alliance (UMMA)
Contact	Robert Montgomery
Total Budget	\$600,000
Request Amount	\$300,000
Request Amount %	50%
Eligible Funding Source	HOME-ARP
Leverage	\$300,000
Eligible Match	\$300,000
Eligible Match %	50%
Site Control	No
Location	504 10th Street, Waukegan
Beneficiaries	4 Households

Project Scoring

PROJECT SCORING CRITERIA	Max Score	Multiplier	Max Points	Score	Multiplier	Points
County Consolidated Plan Goals	5	1	5	2	1	2
Community Revitalization	5	2	10	3	2	6
Geographic Priorities	5	5	25	3	5	15
Neighborhood Analysis	5	5	25	2	5	10
Viability/Market Need	5	3	15	5	3	15
Collaboration	5	2	10	3	2	6
Accessible Units	5	2	10	4	2	8
Developer Capacity - Overall	5	4	20	4	4	16
Developer Capacity - Project Specific	5	6	30	3	6	18
General Contractor Experience	5	2	10	3	2	6
Site Control	5	5	25	3	5	15
Local Amenities	5	1	5	3	1	3
Project Adaptability	5	2	10	3	2	6
Project Leverage	5	5	25	5	5	25
Project Feasibility & Readiness	5	6	30	4	6	24
Financial Evaluation	5	12	60	4	12	48
Long-Term Compliance / Period of Afford.	5	8	40	3	8	24
Fees/Program Delivery	5	3	15	4	3	12
HOME ONLY						
Match (HOME Only)	0	0	0	0	0	0
CONSTRUCTION ONLY						
Construction costs per HUD max	5	6	30	4	6	24
Zoning	5	2	10	5	2	10
MBE/WBE	5	1	5	4	1	4
Section 3	5	1	5	4	1	4
RENTAL ONLY				4	6	24
Operating/Project Reserves	5	4	20	4	4	16
TOTAL POINTS			440			317
% POINTS AVAILABLE						72.0%
Rental Housing BONUS			5/ HOME unit			20
Supportive Housing BONUS			5/ HOME unit			0
TOTAL POINTS WITH BONUS						337
% POINTS WITH BONUS						76.6%

Staff Recommendation – The proposed project directly addresses the need to develop additional affordable rental housing units. Additionally, the project consists of a 3-bedroom and (2) 4-bedroom units. The funding request of \$300,000 is reasonable for (4) units and well below the regulatory subsidy limits. The proposal provides excellent leverage. The private funds committed to the project allow for a financing package with no long-term debt.

Staff recommends a total of \$300,000 of HOME-ARP for UMMA to support the development of (4) affordable rental housing units.